

August 29, 2000

Kentucky Public Utilities Commission
Tom Dorman, Executive Director
211 Sower Blvd.
Post Office Box 615
Frankfort, Kentucky 40602

RECEIVED

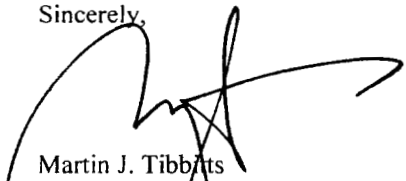
SEP 5 2000

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman,

Please be advised that the information on the following pages is our intent to do business in the Commonwealth of Kentucky. If you have any questions regarding this application, please feel free to contact me at (313) 882-7800. Thank-You for your consideration.

Sincerely,



Martin J. Tibbitts
Managing Member
LCR Telecommunications, L.L.C.

05-155700-0570
22251557-0530
9510

**BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY**

In the matter of the Application of
LCR Telecommunications
For a Certificate of Public Convenience
And Necessity to Operate as a Reseller
Of Intraexchange Telecommunications
Services within the Commonwealth of Kentucky

APPLICATION FOR CERTIFICATE

LCR Telecommunications, L.L.C. hereby requests a Certificate of Public Convenience and Necessity so that it may provide intraexchange telecommunications services in the Commonwealth of Kentucky.

KENTUCKY NOTICE OF INTENT TO PROVIDE SERVICE
OF
LCR TELECOMMUNICATIONS, L.L.C.

LCR Telecommunications, L.L.C. submits this notice of intent to provide long distance telecommunications services, including operator services, to customers within the Commonwealth of Kentucky.

1. The name, address and telephone number of the company is:

LCR Telecommunications, LLC
21 Kercheval Avenue
Suite 280
Grosse Pointe, MI 48236
Telephone: (313) 882-7800
Facsimile: (313) 882-0345

2. Articles of Incorporation – See Attachment 1
3. Authorization to Conduct Business in Kentucky – See Attachment 2
4. Representative for ongoing operations and correspondence:

Questions concerning this application and tariff should be directed to:

LCR Telecommunications LLC
Martin J. Tibbitts
Managing Member
21 Kercheval
Suite 280
Grosse Pointe, MI 48236
Telephone: (313) 882-7800
Facsimile: (313) 882-0345

Owner/Member Information:

Name Tibbitts, Martin J.
Title Managing Member
Residence Address 201 N. Lafayette #202 Royal Oak, MI 48067
Social Security Number 213-96-3879
Home Telephone 248-399-3278

Name Mills, John D.
Title Member
Residence Address 85 Woodland Shore, Grosse Pointe, MI 48236
Social Security Number 381-38-2274
Home Telephone 313-881-2274

Name Tibbitts, Loren J.
Title Member
Business Address 219 Cloverly, Grosse Pointe, MI 48236
Social Security Number 558-44-3025
Home Telephone 313-885-5413

07/24/00

LCR Telecommunications, LLC
Balance Sheet
 As of July 24, 2000

Jul 24, '00

ASSETS

Current Assets

Checking/Savings

1st Federal Checking Account 63,264.49

Deposit Account

International Traders Deposit 3,000.00

Punch and Judy Deposit 1,144.00

Total Deposit Account 4,144.00

LCR FF Money Market 40,000.00

NBD Checking 1,935.03

Total Checking/Savings 109,343.52

Other Current Assets

Car Loan to Marty 3,500.00

Loan to David Hepp 800.00

Total Other Current Assets 4,300.00

Total Current Assets 113,643.52

Other Assets

Computer Equipment 4,217.86

Furniture & Fixtures 1,992.63

Total Other Assets 6,210.49

TOTAL ASSETS 119,854.01**LIABILITIES & EQUITY**

Liabilities

Long Term Liabilities

Loan from John Mills 75,000.00

Loan from John Mills (Hi %)

10,981.93

Loan From L Tibbitts (hi%) 13,500.00

Loan from L.J. Tibbitts 25,000.00

Loan from Martin Tibbitts 1,363.02

Loan from MJT (Car Lease) 2,171.00

Total Long Term Liabilities 128,015.95

Total Liabilities 128,015.95

Equity

Opening Bal Equity 1,000.00

Retained Earnings -73,914.50

Net Income 64,752.56

Total Equity -8,161.94

TOTAL LIABILITIES & EQUITY 119,854.01

07/24/00

LCR Telecommunications, LLC
Profit and Loss
January 1 through July 24, 2000

Jan 1 - Jul 24, '00

Income	
Commission (Income)	-660.52
Rent (Income)	550.00
Revenue-Long Distance	
Revenue-Factored 1+ Receipts	408,392.02
Revenue-Trail Receipts	13,634.74
Total Revenue-Long Distance	422,026.76
Total Income	421,916.24
Expense	
Advertising	172.42
Bank Service Fees	524.00
Charge Reimbursement	241.26
Commission (Expense)	3,930.50
Consulting (Expense)	6,795.91
Donations	100.00
Dues and Fees	2,986.79
Entertainment	493.71
Expense Reimbursement	34.68
Licenses and Permits	427.24
Miscellaneous	2,782.19
Office Supplies	3,818.91
Payroll Services	70.40
Postage	4.30
Professional Fees	
Payroll Service Fees	88.85
Total Professional Fees	88.85
Rent (Expense)	6,854.30
Salaries	
Salaries-Distribution	16,000.00
Salaries-Employees	4,962.44
Total Salaries	20,962.44
Subscriptions	58.00
Taxes	
Taxes-Payroll	1,826.90
Total Taxes	1,826.90
Telecommunications--Wholesale	114,281.25
Telemarketing Services	178,103.52
Telephone	
Telephone-Cellular	338.91
Telephone-Office	4,894.70
Total Telephone	5,233.61
Uncategorized Expenses	0.00
Verification Expenses	7,372.50
Total Expense	357,163.68
Net Income	<u>64,752.56</u>

Appendix D

Management Team Biographies

John D. Mills

- 1997-Present Founding Member, LCR Telecommunications, LLC
- 1980-1991 Founder and CEO of National Computer Equipment Corporation. Mr. Mills started the company in 1980 and sold it in 1991. The company was in the computer leasing industry and at the time of the sale, the company had over 200 employees and annual revenues of over \$80 Million. Specialized in ongoing relationships with the Fortune 1000 with 10 regional offices. 2500 lease contracts.
- 1970-1979 Co-Founder of CMI Corporation, a computer dealer and leasing company, concentrating in the small business and the education market nationwide. Mr. Mills built CMI from a start-up with no revenue and three employees to \$50,000,000 in annual sales and 100 employees, by the time Mr. Mills sold his interest in 1979.
- 1965-1970 Salesman, Burroughs Corporation, subsequently named Unisys Corporation.

In 1962, Mr. Mills graduated from the University of Detroit with a degree in Economics.

Loren J. Tibbitts

- 1997-Present Founding Member, LCR Telecommunications, LLC
- 1994-1996 General Manager, Artisan Associates, a small transportation brokerage business (\$40,000,000 per year) specializing in the movement of heavy equipment for the automotive industry. Mr. Tibbitts was responsible for all functions including financial, billing, operations, sales and project management.
- 1992-1994 Executive Manager, Douglas and Lomason, a seating and ornamentation supplier to the automotive industry with \$400,000,000 in annual sales. Mr. Tibbitts was responsible for all corporate Manufacturing Engineering functions as well the construction, start-up and operation of a plant in Saltillo, Mexico.

- 1988-1992 Plant Manager, General Motors, Cadillac Motor Car Division (Detroit/Hamtramck Assembly Center). A three million sq. ft. operation with 3,000 employees, a \$300 million annual budget producing 480 cars per day on one shift. Reporting directly to Mr. Tibbitts was a staff of six-Production, Quality, Material, Manufacturing, Engineering, Financial and Personnel, who were entirely responsible for the operation of the facility. Mr. Tibbitts participated with Cadillac when President Bush presented the 1990 Malcomb Baldrige National Quality Award to the plant. Received Industry Week magazine award as one of America's 10 Best Plants in 1991.
- 1985-1988 Plant Manager, General Motors, Cadillac Motor Car Division (Fleetwood / Clark Street Plants)
- 1967-1985 Mr. Tibbitts held many positions at GM, ranging from Shift Superintendent, to Senior Process Engineer, to Director of Plant Quality Control, to Production Manager, to Divisional Director of Quality Control for Buick, Oldsmobile and Cadillac.

Mr. Tibbitts received his Bachelor's from GMI (General Motors Institute). Mr. Tibbitts is fluent in Spanish.

Martin J. Tibbitts

- 1997-Present Founding Member of LCR Telecommunications, LLC.
- 1994-1997 Founding Partner of Least Cost Routing LTD, a California Limited Partnership. Least Cost Routing was formed in mid 1994 to broker domestic long distance. At its peak Least Cost Routing had nearly 100 independent agents marketing long distance throughout the U.S. Mr. Tibbitts dissolved Least Cost Routing in mid 1997 to begin the groundwork of forming LCR Telecommunications, LLC.
- 1990-1994 Branch Manager, F.N. Wolf & Company. Mr. Tibbitts worked as a stockbroker for the San Mateo, California office of F. N. Wolf and Company, a small New York investment banking firm.

Mr. Tibbitts graduated June of 1990 from Stanford University, with a degree in Human Biology. Mr. Tibbitts is fluent in Spanish, and conversant in French and Japanese.

ATTACHMENT 1

LCR Telecommunications, LLC

ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF COMMERCE - CORPORATION AND SECURITIES BUREAU

Date Received

OCT 10 1997

(FOR BUREAU USE ONLY)

FILED

OCT 13 1997

Name

MARTIN TIBBITTS

Address

219 CLOVERLY

City

GROSSE POINTE MI

State

Zip Code

48236

Administrator
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

EFFECTIVE DATE:

Document will be returned to the name and address you enter above

ARTICLES OF ORGANIZATION

For use by Domestic Limited Liability Companies

(Please read information and instructions on last page)

B 15 - 556

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned execute the following Articles:

ARTICLE I

The name of the limited liability company is: LCR TELECOMMUNICATIONS, L.L.C.

ARTICLE II

The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.

ARTICLE III

The duration of the limited liability company is: 30 YEARS

ARTICLE IV

1. The address of the registered office is:

21 KERCHEVAL SUITE 242, GROSSE POINTE, Michigan 48236
(Street Address) (City) (ZIP Code)

2. The mailing address of the registered office if different than above:

_____, Michigan _____
(P.O. Box) (City) (ZIP Code)

3. The name of the resident agent at the registered office is: MARTIN TIBBITTS

ARTICLE V (Insert any desired additional provision authorized by the Act; attach additional pages if needed.)

Signed this 9th day of OCTOBER, 19 97

By

[Signature]
(Signature)

LOREN J. TIBBITTS
(Type or Print Name)

[Signature]
(Signature)

MARTIN J. TIBBITTS
(Type or Print Name)

(Signature)

(Type or Print Name)



FILED BY DEPARTMENT JAN 14 1999

FOR BUREAU USE ONLY

B15556

1999 ANNUAL STATEMENT
LIMITED LIABILITY COMPANY

This report must be filed on or before February 15.

Required by Section 207(4), Act 23, Public Acts of 1993

IDENTIFICATION NUMBER

Limited Liability Company Name and Mailing Address

LCR TELECOMMUNICATIONS, L.L.C.
21 KERCHEVAL STE 242
GROSSE POINTE MI 4823601/08/1999 BUREAU
Trans 01067114

B15556

1093
Total \$5.00

Crps Lmtd Liabil Prtnrshp \$5

Registered Office Address in Michigan - NO., STREET, CITY, ZIP
21 KERCHEVAL STE 242
GROSSE POINTE 48236Resident Agent
MARTIN TIBBITTS

Report changes in mailing address of registered office, resident agent or registered office address below:

1. Mailing address of registered office if different than preprinted mailing address

2. Resident Agent

3. Address of registered office - NO., STREET, CITY, ZIP

21 KERCHEVAL AVE., SUITE 280
GROSSE POINTE, MI 48236

The Company states that the address of its registered office and the business office or residence of its resident agent are identical. Any changes were authorized in accordance with the operating agreement, by the affirmative vote of a majority of the members voting in accordance with Section 502(1) of the Act, or by the managers voting in accordance with Section 405 of the Act.

Signature Required of Manager / Member (see instruction)

MANAGED BY:

Date

MEMBERS

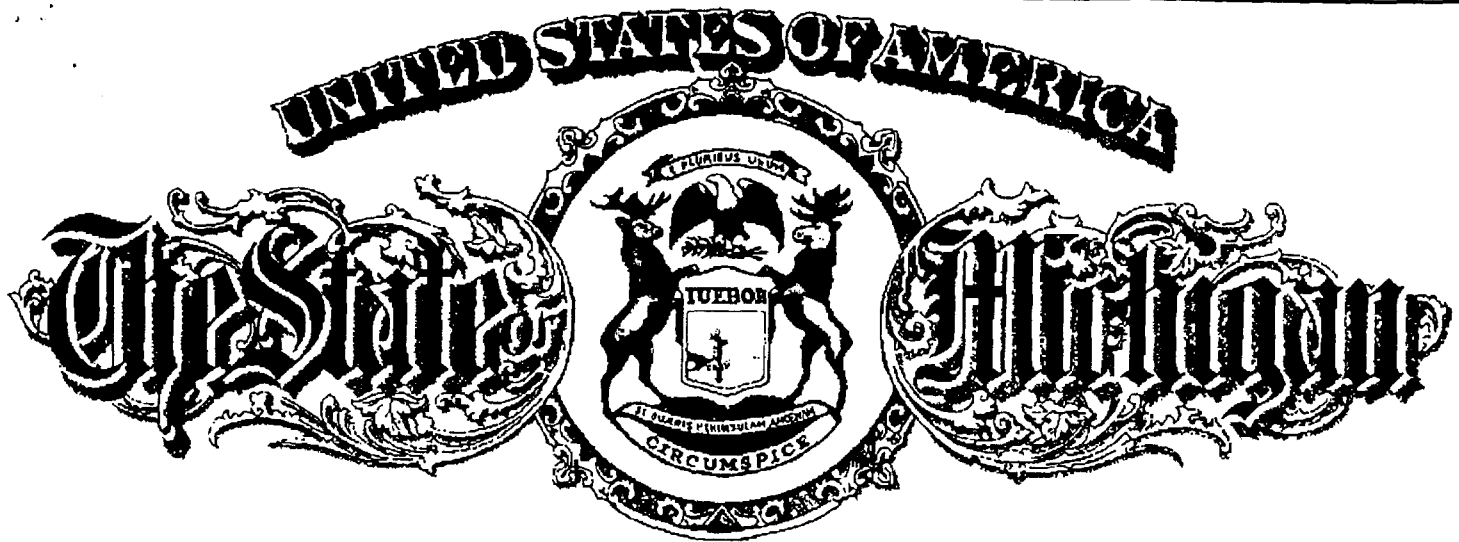
1/5/99

INFORMATION & INSTRUCTIONS

1. Return this preprinted form with the required fee.
2. If you wish to change the Resident Agent, Registered Office, or the mailing address of the Registered Office, enter the changes in Item 1, 2, or 3, whichever is applicable.
3. **DOMESTIC LIMITED LIABILITY COMPANIES** - If company is managed by managers, signature of manager is required. A member must sign if company is managed by members.
FOREIGN LIMITED LIABILITY COMPANIES - This statement must be signed in ink by a person with authority to sign as provided in the laws of the jurisdiction of its organization.
4. **FEE** - Make remittance payable to the State of Michigan. Include limited liability company name and identification number on check or money order.
ANNUAL STATEMENT FEE \$5.00

RETURN TO:

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU
P.O. BOX 30057
LANSING MI 48909-7557
(517) 334-6300



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

LCR TELECOMMUNICATIONS, L.L.C.

a Michigan limited liability company, filed Articles of Organization in this office on October 13, 1997.

I FURTHER CERTIFY that the Articles are in full force and effect as of this date, and a Certificate of Dissolution has not been filed.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 19th day of June, 2000.

, Director

171L 0501832

Corporation, Securities and Land Development Bureau

ATTACHMENT 2

LCR Telecommunications, LLC

AUTHORITY TO CONDUCT BUSINESS IN KENTUCKY



BOOK 00562 00629

John Y. Brown III
Secretary of State

Certificate of Authorization

I, JOHN Y. BROWN III, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

LCR TELECOMMUNICATIONS, LLC

, a limited liability company organized under the laws of the state of Michigan, is authorized to transact business in the Commonwealth of Kentucky and received the authority to transact business in Kentucky on July 13, 2000.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 275.190 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 13th day of July, 2000.

John Y. Brown, III

JOHN Y. BROWN III
Secretary of State
Commonwealth of Kentucky

Pcraine/0497678

Document No.: DN2000099660

Lodged By: mail

Recorded On: 07/28/2000

Total Fees:

9.00

Transfer Tax:

.00

County Clerk: Bobbie Holclaw-JEFF CO KY

Deputy Clerk: PENWIM

END OF DOCUMENT

ATTACHMENT 3

LCR Telecommunications

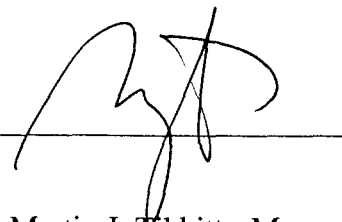
STATEMENT OF PREVIOUS SERVICE

4 Representative for ongoing operations and correspondence, (cont'd.):

Customer Service: Billing inquiries for LEC billing will be handled on behalf of the company by its billing agents, US Billing, Inc. ("USBI") and Zero Plus Dialing, Inc. ("ZPDI"), and/or LCR's independent customer service provider, Long Distance Customer Service, Inc. Business Customers will be billed directly through their Local Exchange Carriers (LEC). The telephone number for Customer inquiries and complaints will be provided on the Customer bill. The toll free number for reaching the Company directly is 877-697-5588.

5. LCR Telecommunications, LLC has not provided service in Kentucky prior to filing this notice of intent . See notarized statement in Attachment 3.
6. LCR intends to provide operator assisted calling to its presubscribed Customers.
7. The proposed tariffs of LCR are submitted to become effective 30 days after the date of this filing. See Attachment 4.

Signed: _____

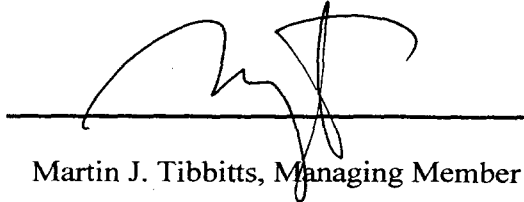
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Martin J. Tibbitts, Managing Member

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

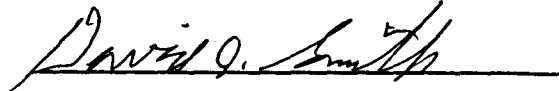
AFFIDAVIT

The undersigned attests that LCR Telecommunications, LLC has not provided service in the Commonwealth of Kentucky prior to the filing of this notice of intent to provide service.



Martin J. Tibbitts, Managing Member

This document was signed in my presence on the 29th day of August, 2000.



Notary Public

DAVID J. SMITH
Notary Public, Wayne County, MI
My Commission Expires Aug. 15, 2003

VERIFICATION OF APPLICANT

STATE OF _____)
COUNTY OF _____)

ss:

I, Martin J. Tibbitts, being first duly sworn, state that I am the Managing Member of LCR Telecommunications, L.L.C. the Applicant herein; that I have reviewed the matters set forth in the Application and Exhibits and the statements contained therein are true to the best of my knowledge, except as to those matters which are stated on information or belief, and as to those matters I believe them to be true.

LCR Telecommunications, L.L.C.

By: _____

Martin J. Tibbitts, Managing Member

Sworn to and subscribed before me this 29th day of August 2000

David J. Smith
Notary Public

DAVID J. SMITH
Notary Public, Wayne County, MI
My Commission Expires Aug. 15, 2003

My Commission Expires:

ATTACHMENT 4

LCR TELECOMMUNICATIONS, LLC

PROPOSED INTRASTATE TARIFF